

**Casualty Insurance License Outline**  
Kentucky Property and Casualty Insurance  
License Exam Manual  
1st Edition 2006  
www.kaplanfinancial.com

**Unit Assignments**

<b>Unit 1</b>	<b>Principles of Insurance (8% of test) - 4 questions</b> <ul style="list-style-type: none"><li>Risk</li><li>Managing Risk</li><li>Law of Large Numbers</li><li>Elements of Insurability<ul style="list-style-type: none"><li>Pure Risk, Speculative Risk</li><li>Insurable Interest</li><li>Other Elements of Insurability</li></ul></li><li>Other Insurance Terms<ul style="list-style-type: none"><li>Peril</li><li>Hazard</li></ul></li></ul>
<b>Unit 2</b>	<b>The Insurance Contract (8% of test) - 4 questions</b> <ul style="list-style-type: none"><li>Elements of a Valid Contract<ul style="list-style-type: none"><li>Offer and Acceptance</li><li>Consideration</li></ul></li><li>Characteristics of an Insurance Contract<ul style="list-style-type: none"><li>Principle of Indemnity</li><li>Personal</li><li>Unilateral</li></ul></li><li>Parts of the Insurance Contract<ul style="list-style-type: none"><li>Policy Organization</li></ul></li></ul>
<b>Unit 3</b>	<b>Insurance Company Organization and Regulation (2% of test) - 1 question</b> <ul style="list-style-type: none"><li>Types of Insurance Organizations<ul style="list-style-type: none"><li>Stock and Mutual Companies</li></ul></li><li>Insurance Company Organization<ul style="list-style-type: none"><li>The Agent</li><li>Insurance Marketing Systems</li><li>Other Insurance Functions</li></ul></li><li>Regulation<ul style="list-style-type: none"><li>Regulation and the Company</li><li>Regulation and the Agent</li></ul></li></ul>
<b>Unit 4</b>	<b>The Insurance Transaction (8% of test) - 4 questions</b> <ul style="list-style-type: none"><li>Application</li><li>Binders</li><li>Underwriting the Policy<ul style="list-style-type: none"><li>Fair Credit Reporting Act</li></ul></li><li>Rating the Policy<ul style="list-style-type: none"><li>Judgment and Manual Rating</li></ul></li><li>Certificate of Insurance</li><li>Misrepresentation, Concealment, and Fraud</li><li>Representations and Warranties</li><li>Waiver and Estoppel</li><li>Cancellation and Nonrenewal</li></ul>

**Unit 6**

**Introduction to Liability Insurance (8% of test) - 4 questions**

- Negligence
  - Definition
  - Establishing Negligence
- Defenses Against Negligence
  - Contributory and Comparative Negligence
- Absolute Liability
- Vicarious Liability
- Liability Insurance
  - Third Party Losses
  - Insuring Agreement
  - Exclusions
  - Conditions

**Unit 8**

**Homeowners Insurance (4% of test) - 2 questions**

- Section II - Liability
  - Coverage E - Personal Liability
  - Coverage F - Medical Payments to Others
  - Exclusions
  - Additional Coverages

**Unit 9**

**Personal Auto Insurance (10% of test) - 5 questions**

- Definitions
- Part A - Liability Coverage
  - Coverage
  - Who is an Insured
  - Supplementary Payments
  - Exclusions
- Part B - Medical Payments Coverage
  - Exclusions
- Part C - Uninsured Motorists Coverage
  - Definition of Uninsured Motor Vehicle
  - Exclusions
  - Other Insurance
- Part D - Coverage for Damage to Your Auto
  - Coverage
  - Transportation Expenses
  - Exclusions
- Parts E and F - Conditions
- Underinsured Motorists Coverage
- Personal Auto Policy Endorsements

**Unit 10**

**Miscellaneous Personal Insurance (4% of test) - 2 questions**

- Personal Watercraft Insurance
  - Boatowners and Outboard Motor and Boat Policies
  - Personal Yacht Policies
- Personal Umbrella Insurance
  - Coverage for Excluded Losses

**Unit 11**

**The Commercial Package Policy (4% of test) - 2 questions**

- Eligible Coverages
- Common Policy Declarations
- Common Policy Conditions
  - Cancellation
  - Changes, Premiums
  - Examination of Books and Records, Inspections, and Surveys
  - Transfer of Rights and Duties

<b>Unit 12</b>	<b>The Businessowners Policy (4% of test) - 2 questions</b> Eligibility, Policy Organization Ineligible Risks Liability and Medical Expenses Coverage Exclusions Conditions Endorsements Hired Auto and Nonowned Auto Liability
<b>Unit 15</b>	<b>Commercial General Liability Insurance (8% of test) - 4 questions</b> Business Liability Exposures Premises and Operations Exposure Products - Completed Operations Exposure Exposures Covered by Commercial General Liability Insurance Commercial General Liability Coverage Part Occurrence and Claims-Made Forms Claims-Made Form Coverage A - Bodily Injury and Property Damage Liability Coverage Exclusions Coverage B - Personal and Advertising Injury Liability Coverage C - Medical Payments Coverage Limits of Insurance Conditions Duties in the Event of Occurrence, Offense, Claim, or Suit Other Insurance
<b>Unit 16</b>	<b>Commercial Auto Insurance (4% of test) - 2 questions</b> Commercial Auto Coverage Part Business Auto Coverage Form Definitions Covered Autos Liability Coverage Physical Damage Coverage Garage Coverage Form Liability Coverage Garagekeeper Coverage Physical Damage Coverage Truckers Coverage Form Covered Autos Trailer Interchange Coverage Motor Carrier Coverage Form Motor Carrier Act of 1980
<b>Unit 17</b>	<b>Commercial Crime Insurance (2% of test) - 1 question</b> Fidelity Bonds Parties to a Bond Types of Fidelity Bonds
<b>Unit 18</b>	<b>Workers' Compensation (10% of test) - 5 questions</b> Workers' Compensation Laws Occupations Covered Benefits Provided Compensable Injuries Types of Disability Compulsory vs. Elective Workers' Compensation and Employers Liability Policy Coverages Exclusions

**Unit 19****Miscellaneous Commercial Insurance (6% of test) - 3 questions**

- Farm Insurance
- Aviation Insurance
  - Liability Coverage
- Professional Liability Insurance
- Employment Practices Liability Insurance
- Commercial Umbrella Insurance
- Surety Bonds
  - Contract Bonds
  - Judicial Bonds
- Federal Terrorism Risk Insurance Act of 2002 (Extension Act of 2007)
  - Background

**Insurance Code****Kentucky Law (10% of test) - 5 questions**

- Scope, General Definitions, and Provisions KRS 304.1
- Agent Licensing
  - Definitions KRS 304.9-020 to 051
  - Licensing Requirements KRS 304.9-080 to 120
  - Change of Address KRS 304.9-200
  - License Renewal KRS 304.9-260
  - Continuing Education KRS 304.9-295
  - Record Retention KRS 304.9-390
  - Suspension or Revocation of License KRS 304.9-440
  - Reporting of Criminal or Administrative Actions KRS 304.9-467
  - Unfair Claims Settlement Practices KRS 304.9-470
- Surplus Lines KRS 304.10
- Unfair Practices, Advertising, Illegal Inducements KRS 304.12-010 to 110
- Unfair Claims Settlement Practices KRS 304.12-230
- Auto Insurance Plan KRS 304.13-151
- Insurance Contract KRS 304.14
- Personal Auto Policies Declination, Nonrenewal, and Cancellation KRS 304.20-040
- Declination, Nonrenewal, and Cancellation KRS 304.20-300 to 350
- Insurance Guaranty Fund KRS 304.36-030
- Motor Vehicle Insurance No-Fault KRS 304.39
- Insurance Fraud KRS 304.47-020
- Conversion of Premium KRS 304.99-010
- Workers' Compensation KRS 342